

Talking Points for Bush Economic Record Charts

Last Updated 4/2/04

Next Update: 4/27/04

Chart 1: Net Job Destruction

Chart 2: Only Administration in 70 Years with Decline in Private Sector Jobs

Chart 3: 2.6 Million Private Sector Jobs Lost

Chart 4: Unemployment Rate Up by 1.5 Percentage Points

Chart 5: 2.4 Million More Unemployed Workers

Chart 6: Long-Term Unemployment Nearly Tripled

Chart 7: Promise versus Reality: Job Creation in Second Half of 2003 was 1.8 Million below Forecast

Chart 8: Promise versus Reality: Recent Job Creation Is Not Even Keeping Pace with Growth in Number of New Job-Seekers

Chart 9: Typical Worker's Earnings Barely Keeping up with Inflation

Chart 10: An Administration with Well Below Average Economic Growth

Chart 11: Administration with the Weakest Investment Trend in 50 Years

Chart 12: Business Investment Down 6.3 Percent

Chart 13: Consumer Confidence Down 24 Percent

Chart 14: One of Just Two Administrations since Hoover with a Decline in the Stock Market

Chart 15: Large Projected Surpluses Turned Into Large Projected Deficits

Chart 16: \$4.4 Trillion more Debt in 2008

Chart 17: Bush Tax Cuts Are Nearly 90 Times Larger for Millionaires Than for Middle Income Households

Chart 18: Administration with the Greatest Average Annual Decline in Household Income

Chart 19: Median Household Income Down \$1,439

Chart 20: Administration with Second Largest Average Annual Rise in the Poverty Rate

Chart 21: 3 Million More Americans in Poverty

Chart 22: 3.8 Million More Americans Without Health Insurance

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Bush Economic Record

Chart 1: Net Job Destruction

- Overall, the economy has lost 1.8 million payroll jobs since President Bush took office in January 2001.
- When you take out growth in government jobs, and focus on jobs created or lost in the private sector, the loss is even larger: 2.6 million jobs lost since President Bush took office.
- In the manufacturing sector alone there have been 2.8 million jobs lost since January 2001.
- All of these data come from the Bureau of Labor Statistics' (BLS) survey of establishments.
- Some people want to talk about job growth in a different BLS survey, the survey of households, but the BLS says that the establishment survey gives a more accurate picture of current labor market conditions. The Congressional Budget Office and Federal Reserve Chairman Alan Greenspan agree that these data are the ones to look at to assess trends in job creation.

Bush Economic Record

Chart 2: Only Administration in 70 Years with Decline in Private Sector Jobs &

Bush Economic Record

Chart 3: 2.6 Million Private Sector Jobs Lost

- President Bush is on track to be the first President since Herbert Hoover to lose jobs over the course of his time in office.
- The chart shows changes in private nonfarm employment by administration going back to Hoover, but the data for overall nonfarm employment would show the same pattern.
- The current slump is the most persistent jobs recession since the 1930s. It has now been almost three years since the start of the recession in March 2001 and we are still 2.0 million jobs in the hole—2.6 million if you focus just on the private sector. (NOTE: these calculations are from March 2001, the start of the recession, not from when President Bush took office in January 2001.)
- At this point in all previous business cycles since the 1930s we had already erased all the job losses and were creating net new jobs.

Bush Economic Record

Chart 4: Unemployment Rate up by 1.5 Percentage Points

- Although the unemployment rate has come down from its peak of 6.3 percent (reached in June 2003), the most recent rate of 5.7 percent is still 1.5 percentage points higher than it was in January 2001 when President Bush took office.
- Moreover, the unemployment rate is lower than it otherwise might be because so many people have dropped out of the labor force and are not counted as unemployed.
- One indicator that there is some hidden unemployment is that the proportion of the working-age population with jobs is more than 2 percentage points lower than it was when President Bush took office.
- Taking into account people who want to work but have dropped out of the labor force, the BLS estimates that the unemployment rate would be 6.7 percent; taking into account those who are working part time but want to be working full time, the rate climbs to 9.9 percent.

Bush Economic Record

Chart 5: 2.4 Million More Unemployed Workers

- In February 2004, the number of Americans without a job was 8.4 million—2.4 million more than when President Bush took office in January 2001.
- That is the official number, but an additional 4.7 million persons want to work but have dropped out of the labor force.
- An additional 4.7 million workers are working part-time but want to be working full-time.

Bush Economic Record

Chart 6: Long-Term Unemployment Nearly Tripled

- The number of people who have been unemployed for more than 26 weeks has nearly tripled since President Bush took office in January 2001.
- 26 weeks is the cut-off for regular state unemployment benefits, and the President and the Republican-controlled Congress failed to renew the Temporary Extended Unemployment Compensation program when it expired in December.
- As a result those who have subsequently exhausted their regular state benefits do not receive any additional federal benefits, even though it will be difficult to find a new job as long as the labor market remains weak.

Bush Economic Record

Chart 7: Promise versus Reality: Job Creation in Second Half of 2003 was 1.8 million below Forecast

- In February 2003, the President's Council of Economic Advisers (CEA) issued a report forecasting that the economy would add 1.9 million jobs in the second half of 2003.
- About 1.4 million of those new jobs were expected to come from the normal business cycle recovery that the CEA was predicting at the time.
- An additional 510,000 jobs were forecasted to come from enactment of the President's "Jobs and Growth" tax cut initiative.
- We got the tax cut, but we didn't get the jobs. Only 124,000 jobs were created in the last two quarters of 2003.

Bush Economic Record

Chart 8: Promise versus Reality: Recent Job Creation Is Not Even Keeping Pace with Growth in the Number of New Job-Seekers

- The President and high administration officials are expressing pride in the fact that the economy has finally started to create some jobs, but much more needs to be done.
- The 759,000 jobs created since job loss peaked in August 2003 translate into a monthly rate of 108,000 per month.
- There has been some confusion about the official economic forecast, and the President and his top economic advisers are now refusing to take responsibility for that forecast.
- But a fair-minded reading of their forecast is that they were expecting about 300,000 jobs per month to be created, beginning last November. They are almost a million jobs behind that pace.
- The Chairman of the President's Council of Economic Advisers, Gregory Mankiw, told a JEC hearing that 125,000 jobs per month were necessary just to keep up with the growing labor force. The 108,000 jobs per month since August is not even up to that standard.

Bush Economic Record

Chart 9: Typical Worker's Earnings Barely Keeping up with Inflation

- The Bureau of Labor Statistics recently released data on the usual weekly earnings of full-time workers at different points on the wage ladder.
- After adjusting for inflation, the usual weekly earnings at the exact middle of the distribution—the real median usual weekly earnings—has grown a paltry 0.2 percent per year during the Bush years.
- This contrasts with a healthy 1.7 percent per year during President Clinton's second term.

Bush Economic Record

Chart 10: An Administration with Well Below Average Economic Growth

- Real gross domestic product (GDP), the broadest measure of the nation's output of goods and services, has increased at an average annual rate of 2.3 percent since President Bush took office.
- This is a full percentage point below the 3.3 percent average annual growth rate achieved from the Eisenhower through the Clinton administrations, and even farther below the 3.6 percent average growth rate achieved under President Clinton.
- Economic growth picked up in the second half of 2003, but not enough to generate significant job growth.

Bush Economic Record

Chart 11: Administration with the Weakest Investment Trend in 50 Years &

Bush Economic Record

Chart 12: Business Investment Down 6.3 Percent

- Real business investment in new factories and machines has fallen at an average annual rate of 2.1 percent since President Bush took office.
- No other administration back to Eisenhower has had such a large decline in business investment.
- Until the current Bush Administration, the Ford Administration was the only one in the post-World War II era to preside over a decline in business investment.
- Business investment is one of the keys to future economic growth, and a strong revival in business investment is necessary to achieve a strong, sustainable economic recovery.

Bush Economic Record

Chart 13: Consumer Confidence Down 24 Percent

- The Conference Board's Index of Consumer Confidence is 24 percent lower than it was when President Bush took office.
- After showing signs of reviving in the second half of 2003, the Consumer Confidence Index fell again in February 2004, in part at least over concerns about jobs.

Bush Economic Record

Chart 14: One of Just Two Administrations since Hoover with a Decline in the Stock Market

- At the end of February 2004, the Standard and Poor's 500 Stock Market Index was over 16 percent lower than it was when President Bush took office—the equivalent of an average annual decline of 5.3 percent.
- Of all Presidents since Hoover, only President Nixon experienced a comparable decline in the stock market over the course of his term.

Bush Economic Record

Chart 15: Large Projected Surpluses Turned into Large Deficits

- When President Bush took office in January 2001, the Congressional Budget Office projected large and growing federal budget surpluses under existing laws and policies (the so-called baseline projection).
- Over the 10 years from 2002 to 2011 those surpluses would cumulate to \$5.6 trillion.
- In fact, of course, the surplus was smaller than projected in 2001 and by 2004 a projected \$400 billion surplus had turned into a projected \$500 billion deficit. (CBO's projection was for a deficit of \$477 billion; the Administration's own projection was for a deficit of \$521 billion.)

Bush Economic Record

Chart 16: \$4.4 Trillion More Debt in 2008

- In February 2001, the Bush Administration projected that the federal debt would be \$1.2 trillion in 2008 if their policies were enacted, and that it would not be prudent or possible to pay down the debt any faster.
- Now, with the hard-won fiscal discipline of the late 1990s completely squandered, the Administration's latest projection of what the public debt will be in 2008 has climbed to \$5.6 trillion—an increase of \$4.4 trillion over the February 2001 projection.
- Instead of building up surpluses and retiring debt in order to prepare properly for the retirement of the baby boom generation, the Bush Administration has abandoned all pretense of fiscal discipline and let the debt skyrocket.

The Bush Economic Record

Chart 17: Bush Tax Cuts Are Nearly 90 Times Larger for Millionaires than for Middle Income Households

- The average amount of 2001-2003 tax cuts for households with more than \$1 million of income was nearly \$128,000 per year.
- The comparable figure for households with incomes of \$50,000 to \$75,000 was \$1,445.
- That makes the millionaires' average tax cut 88 times larger. It is 160 times larger than the average tax cut for households with \$20,000 to \$50,000 income and 48 times larger than the average tax cut for households with \$75,000 to \$100,000 of income.

Bush Economic Record

Chart 18: Administration with the Greatest Average Annual Decline in Household Income &

Bush Economic Record

Chart 19: Real Median Household Income Down \$1,439

- After adjusting for inflation, the income of a typical household is down over \$1,400 during the Bush Administration.
- The measure used here is the Census Bureau's median household income, adjusted for inflation. The median income is the income of the household at the exact middle of the distribution—half of all households have less income and half have more.
- The average annual decline in real (inflation-adjusted) median household income in the Bush years is greater than for any previous administration for which we have data, that is, back to Kennedy.

Bush Economic Record

Chart 20: Administration with Second Largest Average Annual Rise in the Poverty Rate &

Bush Economic Record

Chart 21: 3 Million More Americans in Poverty

- The official poverty rate in 2002 (the latest year for which we have data) was 12.1 percent.
- That translates into 34.6 million Americans living in poverty—3 million more than were living in poverty in 2000, the year before President Bush took office.
- The average increase in the poverty rate during the George W. Bush Administration is second only to that during his father's administration and contrasts sharply with the declines in the Clinton and Kennedy-Johnson administrations.

Bush Economic Record

Chart 22: 3.8 Million More Americans without Health Insurance

- 43.6 million Americans were without health insurance in 2002 (the latest year for which we have data).
- That represents an increase of 3.8 million over the figure in 2000, the last year before President Bush took office.